

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Quadrennial Planning Process II

Docket No. 5-FE-100

**COMMENTS OF THE CITIZENS UTILITY BOARD IN RESPONSE TO THE JULY 2,
2013 NOTICE OF INVESTIGATION AND REQUEST FOR COMMENTS**

I. INTRODUCTION.

Pursuant to the Notice of Investigation and Request for Comments issued July 2, 2013 in the above-captioned docket (PSC REF#: 187104) (Notice), the Citizens Utility Board (CUB) submits comments on the appropriate scope of the Quadrennial Planning Process II. The comments are divided into two parts, namely comments regarding: (1) the items listed in Attachment A to the Notice, and (2) water efficiency issues.

II. COMMENTS.

A. Comments Regarding the Items Listed in Attachment A to the Notice.

In general, CUB believes that few decisions regarding the items listed in Attachment A need to be revisited. By and large, the methods the Commission identified for establishing goals and evaluating the Focus on Energy program appear to be working to ensure that the program is providing benefits to ratepayers. For example, the Focus on Energy program had an overall cost/benefit ratio of 2.89 on a Total Resource Cost basis in 2012. *See* The Cadmus Group, Inc., Focus on Energy Calendar Year 2012 Evaluation Report, Volume I, at 51 (April 30, 2013).

However, some issues listed in Attachment A to the Notice warrant further consideration in this proceeding. Specifically, CUB recommends revisiting the following questions:

- Question 4(C)(1), Attachment A, p. 5 – *What is the appropriate basis for calculating avoided costs which are used to value the benefits of energy efficiency?*

- Question 4(C)(4), Attachment A, p. 6 – *How should the cost-effectiveness of renewable resources be evaluated?*
- Question 5, Attachment A, p. 9 – *Should the contract goals and annual targets equally emphasize residential and business programs?*
- Question 6 (partial), Attachment A, p. 9 – *How should the Commission prescribe the amount of statewide funds to allocate to the Environmental and Economic Research and Development program (EERD)?*

The four questions identified above generally involve issues that have generated significant debate in the past and include items where the Commission's decision has changed over the course of the quadrennial period. CUB believes that these four questions warrant revisiting, and that the impacts of prior decisions on these questions should be evaluated as part of the review in this proceeding.

B. Comments Regarding Water Efficiency Issues.

The Notice also seeks comment on whether water efficiency measures, and their associated energy savings, should be incorporated into the Focus on Energy program and addressed in this docket. CUB supports water conservation and efficiency, both for the benefits for water ratepayers and for the associated energy savings that could benefit electric ratepayers. However, given that funding for the Focus on Energy program is capped (*see* Wis. Stat. § 196.374(3)(b)2.) and Focus on Energy has a host of programs it is already administering that directly target energy reduction, CUB is concerned that adding an entirely new dimension to the program could spread it too thin and diminish the effectiveness of its existing activities. In addition, CUB is concerned about the disconnect between those who would pay for and those who would benefit from a water efficiency program. While water efficiency measures would likely result in energy savings, they will also likely result in water savings. However, only

electric and natural gas ratepayers, not water ratepayers, currently pay for the Focus on Energy program.

The issue of water efficiency and its impact on energy savings is worthy of further study, but is likely premature for inclusion into the Focus on Energy program and this docket at this time. It may also be worthwhile to explore the potential benefits of a separate “Focus on Water” program that targets water savings measures, but if such a program is pursued water ratepayers should pay into it and exploration of such a program is also likely best addressed outside of this docket.

III. CONCLUSION.

For the reasons explained above, CUB respectfully requests that the Commission consider revisiting its decisions regarding Questions 4(C)(1), 4(C)(4), 5, and 6 in this proceeding. CUB also urges caution on expansion, at this time, of the Focus on Energy program to include water efficiency measures. CUB appreciates the Commission’s consideration of these comments.

Dated this 2nd day of August, 2013.

Respectfully submitted,

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